

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	<u>Range Resources-Pine Mountain, Inc.</u>)	VIRGINIA GAS
)	AND OIL BOARD
RELIEF SOUGHT	EXCEPTION TO STATEWIDE SPACING)	
	LIMITATIONS PRESCRIBED BY)	DOCKET NO.
	VA. CODE § 45.1-361.17 (a) (2))	<u>VGOB-09-1020-2623</u>
	FOR <u>WELL NO. V-530176</u>)	
)	
)	
)	
LEGAL DESCRIPTION:)	
	DRILLING UNIT SERVED BY WELL)	
	NUMBERED <u>V-530176</u>)	
	TO BE DRILLED IN THE LOCATION)	
	DEPICTED ON EXHIBIT A HERETO,)	
	<u>David and Victoria Lee Tract</u>)	
	25.00 Acres, more or less)	
	<u>CANEY RIDGE QUADRANGLE</u>)	
	<u>KENADY DISTRICT</u>)	
	<u>CLINTWOOD COUNTY, VIRGINIA</u>)	
Dickenson	(the "Subject Lands" are more particularly described)	
	on Exhibit "A" , attached hereto and made a part)	
	hereof))	

REPORT OF THE BOARD

FINDINGS AND ORDER

1. Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at **9:00 a.m.** on **October 20, 2009** at the Russell County Conference Center, Highland Drive, Lebanon, Virginia.
2. Appearances: **Timothy E. Scott of McKinnis & Scott**, appeared for the Applicant.
3. Jurisdiction and Notice: Pursuant to Va. Code §§ 45.1-361.1 *et seq.*, the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonably available sources to determine the identity and whereabouts of each gas and oil owner, coal owner, or mineral owner having an interest in Subject Drilling Unit underlying and comprised of Subject Lands; and (2) represented to the Board that it has given notice to those parties (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by Va. Code § 45.1-361.19 to notice of this application. Further, the Board has caused notice of this hearing to be published as required by Va. Code § 45.1-361.19.B. Whereupon, the

Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of state due process.

4. Amendments: Exhibit B.
5. Dismissals: None.
6. Relief Requested: Applicant requests an exception to the statewide spacing limitations set forth in Va. Code § 45.1-361.17 for **Well No. V-530176**.
5. Relief Granted: The requested relief in this cause shall be and hereby is granted. The Board hereby grants Applicant consent to permit and drill proposed **Well No. V-530176** which is **1,805** feet from existing Range Resources-Pine Mountain, Inc **Well No. V-536762** at the location depicted on the Plat attached hereto as **Exhibit A**.
6. Special Findings: The Board specifically and specially finds:
 - 6.1 Applicant is **Range Resources-Pine Mountain, Inc.** Applicant is duly authorized and qualified to transact business in the Commonwealth of Virginia;
 - 6.2 Applicant **Range Resources-Pine Mountain, Inc.** is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;
 - 6.3 Applicant claims ownership of Conventional Gas Leases of Subject Drilling Unit and the right to explore for, develop and produce Gas from Well No. **V-530176** as well as the right to participate and develop the reciprocal well, being Well No. **V-536736**;
 - 6.4 The proposed Well No. **V-530176** is located on the **David and Victoria Lee 25.00-acre Tract** and the surface, coal, gas and oil owners have consented to the proposed location for Well No. **V-530176** that is depicted on the Plat attached hereto as **Exhibit A**;
 - 6.5 The Applicant testified it has the right to operate and participate in the development of the reciprocal Well No. **V-536762**; and that the granting of the application filed herein will not impact the correlative rights of any person;
 - 6.6 An exception to the well spacing requirements of Va. Code § 45.1-361.17 for Well No. **V-530176** is necessary to efficiently drain a portion of the common sources of supply (reservoir) underlying Subject Drilling Unit, and the Board's granting of the requested location exception is in the best interest of preventing the waste of **350** million cubic feet of Conventional Gas underlying the Subject Drilling Unit, and to generally effect the purposes of the Virginia and Oil Act;
 - 6.7 Applicant proposes the drilling of Well No. **V-530176** to a depth of **5,399** feet on the Subject Drilling Unit at the location depicted on Exhibit A to produce all the Mississippian and Devonian Age formations including, but not limited to, **Ravencliff, Maxon, Big Lime, Weir, Berea** and **Devonian Shale**, from surface to total depth drilled, **5,399** feet ("Subject Formations");
 - 6.8 Applicant proposes to drill Well No. **V-530176** a distance of **695** feet closer to existing Range Resources-Pine Mountain, Inc. Well No. **V-536762** than the 2500 feet mandated by statewide spacing;

- 6.9 Applicant proposes to complete and operate Well No. V-530176 for the purpose of producing Conventional Gas;
7. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and **IT IS SO ORDERED**.
8. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court. Such appeals must be taken in the manner prescribed in the Administrative Process Act, Va. Code Ann. § 9-6.14:1 *et seq.* and Rule 2A of the Rules of the Virginia Supreme Court.
9. Effective Date: This Order shall be effective as of the date of the Board's approval of this Application, which is set forth at Paragraph 1 above.

DONE AND EXECUTED this 9 day of Feb, 2010, by a majority of the Virginia Gas and Oil Board.


Chairman, Bradley C. Lambert

DONE AND PERFORMED this 9th day of February, 2010, by Order of this Board.


David E. Asbury
Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF ~~WASHINGTON~~)

Russell 9th day of February, 2010, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, and appeared David E. Asbury, being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that they executed the same and were authorized to do so.


Diane J. Davis, Notary
174394

My commission expires: September 30, 2013

msword2000\pmog\well.location.exception.v-530176.order November 30, 2009]



11,850'

Well Coordinates: (Geographic N27)
37.026348° -82.457242°

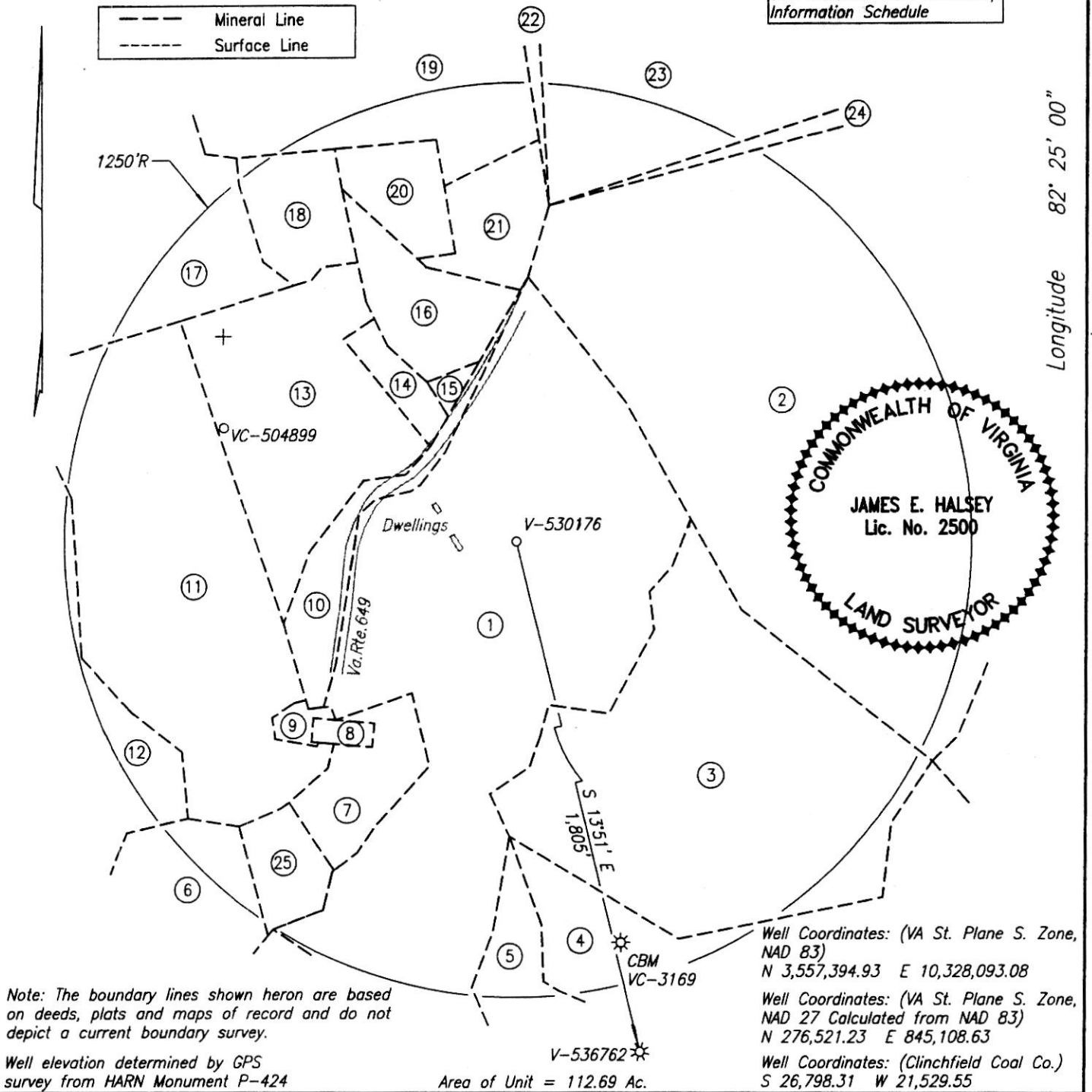
Latitude 37° 02' 30"

See attached Tract Ownership
Information Schedule

--- Mineral Line
- - - Surface Line

Longitude 82° 25' 00"

5,600'



WELL LOCATION PLAT

COMPANY Range Resources-Pine Mountain, Inc. WELL NAME AND NUMBER V-530176
TRACT NO. Lease No. 244830 ELEVATION 2,470.04' QUADRANGLE Caney Ridge
COUNTY Dickenson DISTRICT Kenady SCALE 1" = 400' DATE 9-17-2009
This Plat is a new plat x; an updated plat ; or a final location plat
+ Denotes the location of a well on United States topographic Maps, scale 1 to 24,000, latitude and longitude lines being represented by border lines as shown.

James E. Halsey
Licensed Professional Engineer or Licensed Land Surveyor

Exhibit A

V-530176 PLAT
TRACT OWNERSHIP INFORMATION SCHEDULE
9/17/2009

- | | |
|--|---|
| 1 . Lease No. 244830
David & Victoria Lee - surface, oil & gas
ACIN LLC - coal
25.0 Acres
Gas 23.24 Ac. 20.62% | 9 . Lease No.
Pine Grove Freewill Baptist Church - oil & gas
3.0 Acres
Gas 0.29 Ac. 0.26% |
| 2 . Lease No. 906889 / T-624
W. H. Aston
213 Acres
ACIN LLC - coal
Alpha Land & Reserves LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Coal Company LLC - coal lessee
Range Resources-Pine Mountain, Inc. -
Gas 25.72 Ac. 22.82% | 10 . Lease No.
Judy Powers - oil & gas
ACIN LLC - coal
2.0 Acres
Gas 2.03 Ac. 1.80% |
| 3 . Lease No.
Johnny L. & Loretta Y. Smith - oil & gas
ACIN LLC - coal
25 Acres
Gas 15.49 Ac. 13.75% | 11 . Lease No.
Martha Freeman - oil & gas
13.23 Acres
Gas 13.17 Ac. 11.69% |
| 4 . Lease No. 244831
Johnny L. Smith - oil & gas
27 Acres
Gas 2.50 Ac. 2.19% | 12 . Lease No.
Heirs of Ruth Freeman Salyer Estate - oil & gas
15.50 Acres
Gas 1.40 Ac. 1.24% |
| 5 . Lease No.
Jimmy M. Smith - oil & gas
3.1 Acres
Gas 1.16 Ac. 1.03% | 13 . Lease No.
Pine Grove Freewill Baptist Church - oil & gas
ACIN LLC - coal
7.42 Acres
Gas 7.39 Ac. 6.56% |
| 6 . Lease No.
Bruce & Shelby Willis - oil & gas
10 Acres
Gas 0.78 Ac. 0.70% | 14 . Lease No.
Heirs of Blanche Freeman Smith - oil & gas
ACIN LLC - coal
0.77 Acres
Gas 0.77 Ac. 0.68% |
| 7 . Lease No.
Linda Jane Pridemore - oil & gas
ACIN LLC - coal
3.0 Acres
Gas 2.05 Ac. 1.82% | 15 . Lease No.
Margaret Meade Bolling et al - oil & gas
ACIN LLC - coal
0.40 Acres
Gas 0.19 Ac. 0.17% |
| 8 . Lease No.
Dickenson County School Board - oil & gas
0.25 Acres
Gas 0.25 Ac. 0.22% | 16 . Lease No.
Carl & Patsy Meade - oil & gas
ACIN LLC - coal
2.55 Acres
Gas 2.52 Ac. 2.24% |

- 17 . Lease No.
William E. Hunsaker - oil & gas
11 Acres
Gas 2.05 Ac. 1.82%
- 18 . Lease No.
Texas & Linda Pridemore - surface, oil & gas
2.0 Acres
Gas 1.93 Ac. 1.71%
- 19 . Lease No.
Margaret Meade Bolling et al - oil & gas
13.45 Acres
Gas 2.19 Ac. 1.95%
- 20 . Lease No.
Carl & Patsy Meade - oil & gas
2.0 Acres
Gas 1.61 Ac. 1.43%
- 21 . Lease No.
Margaret Meade Bolling et al - oil & gas
13.45 Acres
Gas 1.97 Ac. 1.75%
- 22 . Lease No. 223068L
The Hagan Estates Inc. - oil & gas
54 Acres
or
Lease No. 905136L
Margaret Meade Bolling, et al - oil & gas
13.45 Acres
Gas 0.12 Ac. 0.11%
- 23 . Lease No. 223068L
The Hagan Estates Inc. - oil & gas
54 Acres
Gas 2.35 Ac. 2.09%
- 24 . Lease No. 223068L
The Hagan Estates Inc. - oil & gas
54 Acres
or
Lease No. 241490L / T-624
W. H. Aston
213 Acres
Range Resources-Pine Mountain, Inc. - oil & gas
Gas 0.21 Ac. 0.19%
- 25 . Lease No.
Bennett & Emaline Edwards Heirs - oil & gas
1.25 Acres
Gas 1.31 Ac. 1.16%